

February 27, 2003

ALABAMA CDBG INTERGOVERNMENTAL
POLICY LETTER NUMBER 13
REVISION 1

TO: Persons Interested in State CDBG Rehabilitation Program

FROM: John D. Harrison
Director

POLICY ON HOUSING STANDARDS AND CONDITIONS

For those CDBG grantees who receive housing rehabilitation funds, the state has developed the following definitions and guidelines for housing standards and conditions to be used in conjunction with program activities. These definitions and guidelines will be pertinent for compliance with Section 104 (d) of Title I of the Housing and Community Development Act of 1974, as amended (also known as the Barney Frank Amendment).

1. Substandard but suitable for rehabilitation (occupiable) – A substandard unit is considered suitable for rehabilitation (or occupiable) if the present fair market value of the structure is \$5,000 or more; and the cost of bringing the unit into compliance with local housing codes, or at least (HUD) Section 8 Quality Standards for complete rehabilitation, or equivalent standards for partial rehabilitation, shall not exceed 75 percent of the estimated “after rehabilitation value” of the unit.
2. Standard – A standard housing unit is one which has no structural, electrical, plumbing, or mechanical defects or has only slight defects which can be corrected through maintenance. The unit should meet local housing codes or at a minimum (HUD) Section 8 Housing Quality Standards in the absence of local housing codes. The unit should be capable of providing decent, safe, and sanitary housing.

Effective Date: Projects Funded in FY 2003 Program Year and Thereafter.